



Bear Valley
Electric Service
A Division of Golden State Water Company

June 5, 2008

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Attn: Clerk of the Board

VIA: CARB Website:

http://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=ghg2007&comm_period=1

Subject: GHG 2007 – Comments in Response to Notice of Public Availability of
Modified Text for the Adoption of a Regulation for the Mandatory
Reporting of Greenhouse Gas Emissions

Members of the Board:

Bear Valley Electric Service (BVES) hereby submits its comments to be addressed in the Final Statement of Reasons (FSOR) document for the Regulation for the Mandatory Reporting of GHG Emissions from Major Sources as required by the California Global Warming Solutions Act of 2006.

BVES is a small investor owned electric utility serving the Big Bear recreational area of San Bernardino County. BVES is an electric retail provider to approximately 24,000 customers, and owns and operates a natural gas-fired electric generation peaking plant with 8.4 MWs of capacity. The majority of BVES' energy supplies are delivered to its customers via transmission lines owned by the Southern California Edison Company. BVES has been following the California Air Resources Board's (CARB) efforts to develop its AB 32 mandated reporting requirements for greenhouse gas (GHG) emissions (Subchapter 10, Article 1, sections 95100 to 95133, title 17 of the California Code of Regulations).

Proposed Revision to Annual Verification of GHG Reporting where CEMS and Annual Reporting is Already Required

Section 95103(c) of the proposed regulation requires either annual or triennial third party verification of GHG emissions reporting. BVES believes that facilities with Continuous Emissions Monitoring Systems (CEMS) and existing requirements to

report annual facility fuel usage should not be subject to annual GHG emissions verifications¹. Third party oversight monitoring, if any, should be limited to random audits. The imposition of the proposed annual or triennial verifications would add costly and redundant emissions oversight that already exists with the annually required CEMS reporting. Therefore, facilities with CEMS and existing regulatory fuel use reporting should qualify for a reduced level of verification procedures.

Proposed Revision to Exemption for Minor GHG Sources (Initial Three-Year Reporting Requirement)

As proposed, Section 95103(e)(2) of the proposed regulation exempts electric generating sources of GHG emissions from reporting requirements only after the operator has reported less than 2,000 metric tons of CO₂ for three consecutive report years. Such facilities shall then continue to be exempted from reporting requirements until CO₂ emissions exceed 2,500 metric tons in any calendar year. Although the proposed regulation allows exemption after three years, BVES recommends that the proposed regulation be modified to allow an immediate exemption for those electric generating facilities that can demonstrate historical GHG emissions that are less than 2,000 metric tons per year for the three immediately preceding years. This would facilitate reduced costs and unnecessary and costly reporting and verification for those facilities that already meet CARB's threshold of three consecutive years of data showing less than 2,000 metric tons of CO₂.

Add Provisions to the Reporting Regulation to Avoid Redundant GHG Reporting Requirements

The BVES Bear Valley Power Plant is within the jurisdiction of the South Coast Air Quality Management District (SCAQMD). The SCAQMD has been diligent in seeking improvements in air quality, has been developing proposed rules related to GHG, and already requires extensive monitoring and reporting measures for emissions from electric generating facilities. Through its regulation, it appears that CARB is imposing extensive GHG monitoring, reporting, and verification requirements without reference to existing regional or local air quality management district GHG emissions initiatives. BVES therefore requests that CARB add specific provisions in the proposed regulation to eliminate the potential for redundancy in GHG emissions monitoring, reporting, and verification between state and regional or local air district requirements.

BVES' above proposed text revisions to the regulation would reduce redundancies in monitoring and reporting requirements, while also supporting CARB and other State agency's goals with respect to GHG emissions, yet minimize the increase in the costs to provide utility service to end users of electricity in California.

¹ The BVES Bear Valley Power Plant is required by the South Coast Air Quality Management District (SCAQMD) to continuously measure and annually report total fuel usage as specified in BVES' Permits to Operate and Rules 218 and 1110.2 of the SCAQMD regulations.

We appreciate your careful consideration of the above comments. Please feel free to contact me at (909) 866-1666 if you would like to discuss the above or related issues.

Sincerely,

A handwritten signature in black ink, reading "Tracey Drabant". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Tracey Drabant
Energy Resource Manager
traceydrabant@bves.com

cc: Jim Gallagher, American States Utility Services, Inc.
Rick Lind, EN2 Resources, Inc.

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